Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour)

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO D1-24-371 OF 1999
VINCENT NG J
5 SEPTEMBER 2002

Trademarks — Trade description — Trade description order — Whether ex parte application for trade description order could be made — Whether mark as a whole was distinctive — Whether there was failure to disclose material facts — Trade Descriptions Act 1972 s 16

The applicants had, via an ex parte application, obtained a trade description order ('the TDO') from the judge under s 16 of the Trade Descriptions Act 1972 ('the Act') in respect of the use or application of 'BLANSACAR', 'Five Star Device' and/or Chinese characters which read 'WU XING SHANG JIANG', as shown in the certificate of registration.

The intervener applied to this court to set aside the said TDO on the following grounds, namely: (i) that the applicants had full knowledge of the existence and identity of the intervener and therefore they should have not have made the application ex parte; (ii) that the said TDO did not satisfy the requirements of s 16 of the Act; and (iii) that the said TDO was based on material non-disclosure of facts.

Held, dismissing the application:

(1) There is no requirement under s 16 of the Act which requires the proceedings to be made inter partes. A court is not functus officio to review a TDO granted ex parte though perfected (see para 3).

(2) Regarding the second ground, the facts prove that the mark was clearly identified with the words 'BLANSACAR' and the 'Five Star Device' as depicted and represented in the Certificate of Registration. It does not claim any other right to the 'Star Device' except in the form and manner as represented in the Certificate of Registration which was a very specific description of sufficient particularity. The judge had exercised his discretion properly in granting the TDO (see para 4).

(3) On the third ground, the intervener failed to show that there was non-disclosure of material facts. The fact that the intervener was renting a space in the applicants' former premises was not a material fact for the purposes of the applicants' application for a TDO (see para 6).

[**Bahasa Malaysia summary**

Pemohon-pemohon telah mendapatkan perintah perihal dagangan ('PPD') daripada hakim melalui suatu permohonan ex parte di bawah s 16 Akta Perihal Dagangan 1972 ('Akta tersebut') berkenaan dengan penggunaan atau pemakaian 'BLANSACAR', 'Five Star Device' dan/atau perkataan China yang dibaca sebagai 'WU XING SHANG JIANG, seperti yang terkandung dalam sijil pendaftaran.

Pencelah memohon ke mahkamah ini untuk mengetepikan PPD tersebut atas alasan-alasan berikut, iaitu: (i) pemohon-pemohon mempunyai pengetahuan penuh akan kewujudan dan identiti pencelah dan oleh itu mereka tidak sepatutnya membuat permohonan tersebut secara ex parte; (ii) bahawa PPD tersebut tidak mengikut kehendak s 16 Akta tersebut; dan (iii) bahawa PPD tersebut berasaskan ketidakdedahan fakta material.

Diputuskan, menolak permohonan itu:

(1) Tidak terdapat apa-apa di bawah s 16 Akta tersebut yang memerlukan prosiding itu dibuat inter partes. Mahkamah tidak functus officio untuk mengkaji semula suatu PPD yang diberikan secara ex parte walaupun disempurnakan (lihat perenggan 3).

(2) Berkenaan alasan kedua, fakta membuktikan tanda itu jelas dikenali dengan perkataan 'BLANSACAR' dan 'Five Star Device' dan seperti yang digambarkan dan diwakilkan dalam sijil pendaftaran. Ia tidak menuntut hak-hak lain kepada 'Star Device' kecuali dalam bentuk dan sifat yang diwakilkan dalam sijil pendaftaran yang merupakan satu deskripsi khusus dengan butiran yang cukup. Hakim tersebut telah melaksanakan budi bicaranya dengan betul dalam meluluskan PPD tersebut (lihat perenggan 4).

(3) Di atas alasan ketiga, pencelah gagal menunjukkan bahawa terdapat ketidakdedahan fakta material. Fakta bahawa pencelah menyewa ruang di premis lama pemohon-pemohon bukanlah suatu fakta material untuk tujuan permohonan pemohon untuk suatu PPD (lihat perenggan 6).

Notes

For cases on trade description orders, see 12 *Mallal's Digest* (4th Ed, 2002 Reissue) paras 1939–1949

Cases referred to

Brink's Mat Ltd v Elcombe [1988] 1 WLR 1350 (refd)
Jetaine Corporation Sdn Bhd v JC Laboratory Sdn Bhd [2000] 4 CLJ 629 (refd)
Majuperak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd [2001] 3 MLJ 501 (refd)
Muniandy a/l Thamba Kaundan & Anor v Development & Commercial Bank Bhd & Anor [1996] 1 AMR 908 (refd)
NV Sumatra Tobacco Trading Co v PT Sampoerna JL Sdn Bhd [1997] 3 CLJ 946 (refd)
Socoil Corporation Bhd v Ng Foo Chong [1981] 2 MLJ 7 (refd)
Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd [1997] 4 MLJ 504 (refd)

Legislation referred to

Trade Descriptions Act 1972 s 16(1), 16(1)(a)

Michael Soo (Ong Boo Seng with him) (Shook Lin & Bok) for the applicants
Ee Tee Gin (Ee & Associates) for the intervenor

Vincent Ng J:

[1] The Applicants made an application ex-parte by an Originating Summons dated 2 November 1999 (Enclosure 1) for a Trade Description Order pursuant to s 16(1) of the Trade Descriptions Act 1972 ('the Act') in respect of the use or application of 'BLANSACAR', 'Five Star Device 'and/ or Chinese characters which read 'WU XING SHANG JIANG', as shown in the Certificate of Registration No 91/02436 in the Schedule. On 18 November 1999, the Court granted a Trade Description Order ('the said TDO') as set out in the said TDO. About a year and nine months thereafter, the Intervenor made an application by way of Summons in Chambers dated 13 August 2001 for leave to intervene and to set aside the said TDO, and on 7 February 2002, the Intervenor was allowed leave to intervene. To urge me to set aside the said order of 18 November 1999, the Intervenor submitted three grounds, as follows:

(a) As the Applicants had full knowledge of the existence and identity of the Intervenor they should have not have made the application ex-parte;

(b) The said TDO does not satisfy the requirements of 16 of the Trade Descriptions Act 1972; and

(c) The said TDO was based on material non-disclosure of facts.

[2] On ground (a) above, the Intervenor submitted that he was not made a party to the application for the said TDO though the Applicants themselves knew the existence of the Intervenor, not only as a competitor in the market but also as one of their partners in business. In my view there is no requirement under s 16 of the Act which requires the proceedings to be made inter partes.

[3] It is now well settled that under the Act, the Applicants can elect to proceed ex parte or inter partes and that a Court is not functus officio to review a TDO order granted ex parte though perfected *(NV Sumatra Tobacco Trading Co* v *PT Sampoerna JL Sdn Bhd* [1997] 3 CLJ 946 at p 955; *Socoil Corporation Bhd v Ng Foo Chong* [1981] 2 MLJ 7 at p 9; and *Muniandy a/l Thamba Kaundan & Anor v Development & Commercial Bank Bhd & Anor* [1996] 1 AMR 908). As the Intervenor neither asserted that the alleged partnership between him and the Intervenor was registered, nor exhibited any evidence of search in the Registry of Businesses, I am more inclined to accept the Applicant's submission that the Applicants and the Intervenor were never business partners – though I am mindful that the Second Applicant had acknowledged that he had known the Intervenor since 1982 when the latter was a tour guide, and that sometime towards the end of 1993, the Intervenor had rented a space at the Applican's former premises and started a business selling cameras and silver costume jewellery under the names of Foto Satu and Deluxe Silver respectively, which was unrelated to and independent of the Applicant's business. Notably, counsel for the Applicants had also submitted that the Intervenor's claim that he has rights over the Five Stars Device is inconsistent with his earlier withdrawal

of his trade mark applications Nos 96/10906 and 96/10907. Further, I would accept counsel's submission in reply that, as the Applicants have taken steps since 1997 to stop the infringing acts of the Intervenor, the proceedings herein cannot be viewed as a means to eliminate competition, as alleged by the Intervenor. Also, the non-explanation by the Intervenor as to why he had waited 21 months before applying to set aside the TDO dated 18 November 1999 does not advance the bona fides of his cause.

[4] On ground (b) above, the Intervenor contends that the TDO has failed to identify the infringing mark with sufficient precision and hence does not satisfy s 16 of the Act – being that (in his words): 'annexing the said mark to the said TDO without proper description does not satisfy the requirement of s 16 of the said Act'. I find that there is no ambiguity in the said TDO, as it was clearly specified, to the extent that: 'the use or application of BLANSACAR trade mark *as shown in Certificate of Registration No 91/02436 on the Schedule hereto* in connection with watches which are not manufactured or authorised by the Applicants is hereby declared a false trade description within the meaning of the s 16(1)(a) of the Act'. Upon careful study, I find the facts in the current case are distinguishable from the facts in *Majuperak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 MLJ 501 *('Majuperak')*. In *Majuperak,* the trade description order granted by the High Court was in the following terms: 'Rekabentuk GAJAH sebagaimana yang diperihalkan dengan lebih jelas dan khususnya dalam jadual yang dilampirkan disini dan/atau rekabentuk lain yang serupa dalam warnanya atau mengelirukan...'(See *Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd* [1997] 4 MLJ 504 at 514). The alleged infringing mark in *Majuperak* consists of a detailed drawing of an elephant with the words 'Cap Gajah Tunggal' whereas the applicants had obtained a trade description order based on a caricature of an elephant, and a search at the Registry of Trade Marks revealed other registered trade marks containing an elephant caricature or logo in the same class. Consequently, it was held in that case that as the use of an elephant device was not uncommon, it was imperative that the order must be specific in identifying the infringing mark. And, also that the terms '... dan/atau rekabentuk lain yang serupa dalam warnanya atau mengelirukan ...' ('... and/or other device which are colourably or confusingly similar...') have resulted in the order made being vague and too wide. Hence, quite correctly, having recognised that the trade description order may lead to penal consequences, and to ensure a measure of protection against the abuse of s 16 of the Act, the Court of Appeal was persuaded to hold in *Majuperak* that: 'a mere annexing of the mark to the order without proper description was insufficient'. It is my considered view that this dicta of the Court of Appeal should not be construed to mean that the annexing of a mark is never sufficient to describe the infringing mark with sufficient particularity. It may be useful here for us to bear in mind the aphorism 'a picture speaks a thousand words', and that some sophisticated marks in a device may be more aptly and sufficiently described by annexing a sketch or photo-representation of the mark. In the instant case, the mark is clearly identified with the words 'BLANSACAR' and the 'Five Star

Device' as depicted and represented in the Certificate of Registration. It does not claim any other right to the Star Device except in the form and manner as represented in the Certificate of Registration No 91/02436, which is, in my judgment, a very specific description of sufficient particularity. I am entirely satisfied that the learned Judge had considered prayer (1) of the Applicants Originating Summons (Enclosure 1) and had on 18 November 1999 – and indeed for precision, in proper exercise of his discretion, amended the terms of prayer (1) – granted a TDO of sufficient and exclusive particularity.

[5] On ground (c) the Intervenor alleged that the Applicants have failed to disclose a material fact that they were once business partners. In considering what constitutes material facts, it is helpful to recall the English Court of Appea's decision in *Brink's Mat Ltd v Elcombe* [1988] 1 WLR 1350, where Ralph Gibson LJ held, at p 1356 paras G-H, as follows:

> The material facts are those which it is material for the judge to know in dealing with the application as made: materiality is to be decided by the court and not by assessment of the applicant or his legal adviser …

[6] Applying the above approach of Ralph Gibson LJ, which I would subscribe to, I hold that the facts not disclosed are not material facts and the Intervenor has failed to show that there was non-disclosure of material facts. At any rate, his assertion that he and the Applicants were business partners are bare assertions, for the reasons I have stated above. Clearly, the fact that the Intervenor was renting a space in the Applicant's former premises is not a material fact for the purposes of the Applicant's application for a Trade Description Order. In other words, it would not have any effect, let alone create a decisive impact, on the court disallowing the application for a Trade Description Order (per Steve Shim J (as he then was) in *Jetaine Corporation Sdn Bhd v JC Laboratory Sdn Bhd* [2000] 4 CLJ 629 at 633, para E).

[7] In the event, I dismiss with costs the Intervenor's application (vide prayer 2 of Enclosure 8) to set aside the said TDO dated 18 November 1999.

Intervenor's application to set aside TDO dismissed with costs.

Reported by AG Kalidas